



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

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**National Assembly**

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**Law on Social Security**  
*(unofficial translation)*

**Part I**

**General Provisions**

**Article 1. Purpose**

The Law on social security defines the principles, rules and provisions for the organisation, implementation, management, monitoring and inspection of social security affairs with a view to make it systematic, strengthened and effective for better protecting rights and interests of employers and employees who contribute to the Social Security Fund, and receive social security benefits, as well as to assure livelihood improvement, social solidarity and national socio-economic development.

**Article 2. Social Security**

Social Security is a set of assistance-based arrangements guaranteed by the National Social Security Fund in case of health care, child-birth or abortion, working capacity losses, human organ losses, sick-leave, old age, death, family allowances and unemployment.

**Article 3. Interpretation of terms**

1. National Social Security Fund: means the pooled funds provided by the Lao Government, and employers and employees to jointly finance various social security benefits;
2. Employer: means organizations of State and Party, including the Lao Front for National Reconstruction, the mass organizations, social organizations and labor units employing people as employees by paying them a wage or salary;
3. Labor Units: means an establishment running a business, including manufacturing and/or services;
4. Employee: means a state employee, civil servant, soldier, police officer, ~~old-age and invalid pensioner~~, or employee working in a labor unit and being paid by his/her employer ;
5. Self-employed : means a person, who engages in agricultural, industrial and service sector Without having an employer;
6. Voluntary insured person : means a person, who voluntarily joins the social security fund ;
7. Insured Person: means a person, who pays contributions to National Social Security Fund ;
8. Family members: means depending spouse, child and/or parent of insured person;

9. Insurable Earnings: means total salary of insured civil servant, soldier, police or the wage of an employee or self-employed person to be used as basis for monthly calculating contribution to National Social Security Fund
10. Total salary: means firstly salary or wage, which is based on class and step and also includes seniority and position allowance and others
11. Contribution: means monthly cash payment by the Government, employer, employee, self-employed and voluntary insured person to the Social Security Fund, according to the contribution rate, as determined for the respective party.
12. Working capacity loss: means loss of working capacity or mental health, caused by any work accident or occupational diseases ;
13. Human-organ loss: means loss of any human body limb (not work-related) ;
14. Pension points: gained by dividing the average monthly contribution in the last twelve months by the average contribution of all insured persons ;

#### **Article 4. State Policy on Social Security**

State promotes social security affairs' development in line with national economic growth. To do so the government, employer, employee, self-employed person as well as Voluntary insured person shall contribute largely contribute to the National social security Fund in order to make social security benefits affordable. The National Social Security Fund is managed by state and all social security benefits are exempted from tax

#### **Article 5. Basic Principles concerning Social security Affairs.**

Social security affairs shall be based on the following principles :

1. Social Security Policy and affairs shall be legally, centrally and nationwide managed ;
2. Contribution to National Social Security Fund from the Government, employer, employee, self-employed person as well as Voluntary insured person shall be proceeded accordingly to the defined rates as stipulated in the article 55 and 56 of this Law ;
3. Rights and interests of insured person and dependents shall be protected.
4. Social security management shall be fair, transparent, accountable and sustainable.
5. Principle of fund accumulation, risk pooling, mutually assistance and sustainability ;
6. Benefit calculation shall be based on insurable earning ;
7. Security affairs shall be appropriate with international conventions or treaties, where Lao PDR is signatory contry.

#### **Article 6. Obligations to Social Security.**

Obligations to Social Security Affairs are as follows :

1. Government shall allocate some parts of the Government Budget to the National Social Security Fund and guarantees the sustainability of the fund ;
2. Employer shall contribute to the National Social Security Fund;
3. Employee, self-employed person and voluntary insured person shall be registered and pay contribution to the National Social Security Fund ;

#### **Article 7. Scope of Application.**

This Law shall apply countrywide to employer, employee and his/her family members, self-employed person and voluntary insured person.

#### **Article 8. International cooperation**

State supports and promotes foreign, regional and international cooperation concerning social security affairs in varied forms such as : upgrading expertise level of staff, sharing experiences, information, technique-technology as well as seeking for financial support in order to develop social security affairs and apply all international conventions and laws that Lao PDR is signatory country.

## **Part II**

### **Social Security Regime**

#### **Chapter 1**

#### **Types and Target groups of benefits**

##### **Article 9. Types of benefits**

Types of social security benefits comprise the following:

1. Health care benefit ;
2. Benefit for child birth and abortion ;
3. Employment Injury and occupational diseases and not work-related benefit benefit ;
4. Sickness benefit ;
5. Benefit for Loss of Working capacity ;
6. Old-age pension ;
7. Death grant benefit ;
8. Benefit for family members of insured person ;
9. Unemployment benefit.

##### **Article 10. Target groups for Social Security Benefits**

Target groups for different types of social security benefits are :

1. Civil servant, State employee, soldier, police shall be entitled to all types of benefit, except child birth and abortion benefit for male insured person ;
2. self-employed person and voluntary insured person shall be entitled to social security types of benefit, that they have insured such as : health care, child birth and abortion, old-age pension, sickness, death or invalidity benefit ;
3. spouse, dependent children of insured person shall be entitled to health care, death grant and/or family members' benefits ;
4. deceased insured person's parent shall be entitled to survivors' benefits, when meeting the qualifying conditions.

The group 1 and 2 as above-mentioned shall contribute monthly to the National Social Security Fund for being qualified to any benefit.

#### **Chapter 2**

#### **Health Care Benefit**

### **Article 11. Health care benefit**

Health care benefit is fund allocation for medical service, provided to insured person, his or her spouse and dependent children.

### **Article 12. Qualifying conditions to health care benefit**

An insured person is entitled to medical services benefit if he or she meets the following conditions :

1. Having paid contributions to the social security fund for at least one month for and longer for Employment Injury and occupational diseases; and illness, caused by child birth or abortion ;
2. Having paid contributions to the social security fund for at least three months and longer for not work-related diseases. *Insured person's children younger than 18 years old, or not older than 23 years for those studying and unmarried also are qualified to the benefit.* In case of the death of insured person, his/her surviving spouse and children also are entitled to this benefit for three months ;

### **Article 13. Medical Services**

An insured person and his/her dependents are entitled to medical services at the institutions prescribed systematically by the Curative Law.

Overseas Medical services and treatment for chronicle diseases shall be prescribed in a specific regulation.

### **Article 14. Health care expenditure calculation**

Health care expenditure shall be calculated appropriately with the serious level of sickness and service quality and it shall be prescribed in a specific regulation.

### **Article 15. Health care payment**

Health care fund shall bill for medical services, provided to insured person and his/her spouse and children in the form of capitation fee, fee for service or another forms through medical care contract with health care provider.

## **Chapter 3**

### **Child birth and abortion Benefit**

#### **Article 16. Child birth or abortion Benefit**

Child birth and abortion Benefit is a lumpsum bonus,, paid per each child.The beneficiary, whose health condition is still not fit for working, has the right to another benefits as prescribed in a specific regulation.

#### **Article 17. Qualifying conditions to Child birtyh or abortion.**

Qualifying conditions for **Child birtyh or abortion** benefit consists of the followings :

1. At least six months of contributions, paid to the social security fund
2. Delivery of a child or abortion from the thirth month of pregnancy with medical certification ;

#### **Article 18. Child birth grant calculation**

The receivable child birth grant is equal to sixty percent of the the insured person's last insurable earnings per child.

Insured person's wife, who has no any job, has also right to the benefit as stipulated in the first paragraph of this article.

Self-employed person and voluntary insured person, who insured her/him-self for such a benefit shall be entitled with a specific regulation.

#### **Article 19. Delivery of a child or abortion benefit calculation**

The receivable maternity benefit, including abortion, is equal to eighty percent of the average of the insured person's last six month insurable earning and is effective for a period of three months only. If, in excess of the above-mentioned period, the insured person's health status does not fit to resume to work with medical certification, health examination shall be proceeded for sickness benefit or invalidity benefit.

### **Chapter 4**

#### **Employment Injury and Occupational Disease Benefit and non-work related cases**

##### **Article 20. Employment Injury and Occupational Disease or non-work related case**

Employment Injury or Occupational Disease benefit or not work-related case is composed of temporary loss of working capacity, that may be one-time benefit or monthly allowance ;

##### **Article 21. Qualifying conditions**

Qualifying conditions for employment Injury or Occupational Diseases or not work-related case benefit shall refer to the followings :

1. At least one month contribution to social security fund for employment Injury or Occupational Diseases, and at least twelve months for not work-related cases ;
2. Loss of any body's limb or working capacity, abnormal mental state caused by Employment injury at the work place, during the commute from home to work place and vice versa or during official mission ;
3. Occupational Disease, caused by task performance ;
4. Any body limb losses, caused by employment Injury or Occupational Diseases or not work-related cases. Medical certification shall be provided for proving the 2<sup>nd</sup> , 3<sup>rd</sup> and 4<sup>th</sup> conditions.

Conditions for those, who have joined directly the movement for National Defense shall be defined in a separate regulation.

##### **Article 22. Category and degree of working capacity loss**

Category and degree of working capacity loss are classified as below-listed :

1. Category 1 is equal to 81-100 % ;
2. Category 2 is equal to 71-80 % ;
3. Category 3 is equal to 61-70 % ;
4. Category 4 is equal to 51-60 % ;
5. Category 5 is equal to 41-50 % ;
6. Category 6 is equal to 31-40 % ;
7. Category 7 is equal to 21-30 % ;
8. Category 8 is equal to 01-20 % ;

Category 1 to 5 shall be entitled to invalidity monthly allowance ; while category 6 to 8 shall receive a lump sum payment. The details of classification shall be be prescribed in a specific regulation by Medical Committee.

### **Article 23. Temporary loss of working capacity benefit calculation**

An insured person sustaining an employment Injury and occupational disease and being on sick leave shall receive a review of health care status, if qualified, to receive temporary loss of working capacity benefit when he or she has not fully recovered. Such a benefit is equal to seventy percent of the average insurable earning in the last six months with a maximum length of six months.

In case of not-work related accident the benefit shall be reduced to sixty percent of the average insurable earning in the last six months with a maximum length of three months.

### **Article 24. One-time payment benefit calculation for temporary loss of working Capacity**

One-time payment benefit for temporary loss of working capacity, caused by employment Injury or occupational disease from category 6 to 8 shall be calculated by the following steps :

1. Calculation of the average insurable earning in the last six months prior to the accident's occurrence ;
2. Multiplying the average insurable earnings by 12, called total 12 months' average insurable earnings;
3. Lastly multiplying the total 12 months' average insurable earning by the percentage of working capacity loss.

For victims other than employment Injury and occupational disease, benefit shall be one-time payment, which is calculated by multiplying invalidity degree by ten times of his/her average insurable earning in the last six months.

### **Article 25. Calculation of Monthly allowance benefit for temporary loss of working Capacity**

Monthly allowance benefit for temporary loss of working capacity from category 1 to 5 shall be calculated by multiplying percentage of working capacity loss by the average insurable earning in the last six months and if the beneficiary is still working or retired, he/she is entitled to 50% of his/her invalidity allowance.

In case of not work-related victim, his/her invalidity allowance shall be calculated by multiplying percentage of working capacity loss by 90% of his/her average insurable earning in the last six months and if the beneficiary is still working or retired, he/she is entitled to 25% of his/her invalidity allowance.

### **Article 26. Prosthetic limbs**

Prosthetic limbs shall be provided to any victim, resulted or not from an employment injury and/or occupational disease, who face difficulty in physical movement.

### **Article 27. Caretaker Benefit**

Caretaker of the category 1 victim shall be entitled to receive monthly allowance, which is equal to 70% of the concerned invalidity allowance for life-long period of the invalid person.

## **Chapter 5** **Sick leave Benefit**

### **Article 28. Sick leave benefit**

Sickleave benefit is an income replacement, paid to insured person being on leave because of employment or not-related Injury and occupational disease ; giving birth or abortion, whose salary is temporarily suspended.

### **Article 29. Qualifying conditions**

Any insured person shall be entitled to paid sickleave benefit if he/she:

1. Has paid contributions to social security fund for at least three months.
2. Is deprived from his/her salary
3. Is proved by medical certification

### **Article 30. Calculation of sickness benefit**

Sick Insured person, having medical treatment and rehabilitation shall receive monthly sickness benefit equal to seventy percent of his/her average of last six month insurable earning for a period of six months at first.

Sickness benefit shall be extended for a second period of six months, with the amount [of benefit] reduced to sixty percent of the insurable earning, provided that health care examination has been undergone with medical certification.

Finally, the beneficiary will be be entitled to invalidity benefits if his/her health care status is not expected to improve.

## **Chapter 6**

### **Old-age Pension Benefits**

#### **Article 31. Old-age pension benefit**

Old-age pension benefit is a monthly allowance paid to an eligible insured person who meets the required conditions.

#### **Article 32. Qualifying Conditions for Old-age pension benefit**

Any insured person shall be entitled to old-age benefit when :

1. Having reached 60 years old for male and 55 years old for female and 25 working years ;
2. For those, who have joined the National Revolution Movement before the year 1975, invalidity category 1 to 4 and those, who have worked continuously 5 years and more in the hazardous conditions with 55 years of age for male and 50 years for female and at least 20 working years ;
3. Having paid social security contributions for a full 20 or 25 years and more for civil servant; state employee, soldier and police. Any insured person, having paid social security contributions in full for 25 years or longer, has poor health status and miss 1 to 3 years of age to reach retirement age, shall be also entitled to old-age pension. The pension percentage of the latter shall be deducted respectively one percent per one missing year for retirement age.
4. Having paid social security contributions for a full 15 years and more for enterprise's employee, self-employeperson and voluntary insured person ;
5. Having retirement permission certification, issued by organisation concerned.

#### **Article 33. Percentage of Old-age pension benefit**

Percentage of Old-age pension benefit shall be classified by the followings :

1. For Civil servant, state employee, military and police percentage shall be based on the below three phases :
  - Those, who joined the Nation Revolution Movement since the year of 1954 backwards shall receive their Pension Percentage starting from 80to 100 percent percent ;

- Those, who joined the National Revolution Movement since 1955 to 1974 shall receive pension percentage from 75 to 90 % ;
  - Those, who joined the National Revolution Movement since 1975 forwards shall receive pension percentage from 70 to 80 % ;
2. The three above-mentioned phases shall not be applied to the current pensioners but for potential old age pension beneficiary. Old age pension of employee at labor unit, self-employed and voluntary insured person shall be calculated by multiplying pension points by total average insurable earning and shall be stipulated in a specific regulation.

#### **Article 34. Old-age percentage and pension allowance Calculation**

Old-age pension percentage Calculation shall follow the below-listed steps :

1. for Civil servant, state employee, military and police ; calculation shall be made by comparing working years, as stipulated in the article 32 of this Law, with the appropriate percentage rate, as provided in the article 33 of this Law as first step ; apart of this each one additional working year shall earn one more additional pension percent.  
  
Pension allowance shall be calculated by multiplying obtained pension percentage by last insurable earning of the insured concerned ;
2. for enterprise's employee, self-employed person and voluntary insured person, calculation shall be made by multiplying the pension points by the total average insurable earnings, as stipulated in a specific regulation.

#### **Article 35. Pension allowance adjustment**

The Government shall proceed the Pension allowance adjustment of Civil servant, state employee, military and police when salary index and pension percentage policy have been changed. Pension allowance adjustment rule for enterprise's employee, self-employed person and voluntary insured person shall be provided in a specific regulation.

#### **Article 36. Lump sum payment calculation**

Insured person, who has not reached the qualifying conditions for monthly old-age pension as prescribed in article 32 of this Law, shall be entitled to a lump sum payment, which is equal to 1.5 of his/her average insurable earning in the last six months multiplied by number of working years.

## **Chapter 7**

### **Death Grant**

#### **Article 37. Death grant**

Death grant is financial assistance for funeral grant of insured person and/or his/her dependents, including adaptation grant.

#### **Article 38. Qualifying conditions**

1. Death grant shall be payable once contribution has been paid to social security fund for at least 3 months.
2. Death certification

#### **Article 39. Death grant calculation**



Guideline for death grant calculation :

1. Funeral grant :

- For the death of insured person, pensioner, invalidity pensioner funeral grant shall be equal to 12 months of the their average of last 6 months insurable earning.
- For the death of spouse, funeral grant is equal to the average of last six month of insurable earning, multiplied by 6.
- For the death of depending children, who is not older than 18, funeral grant is equal to the the average of last six month of insurable earning multiplied by 3.

2. One-time payment for thefamily of an insured person, who deceased, is the average of the last six months of insurable earning, monthly old-age pension or working capacity loss pension multiplied by 15 working years at first, then the payment shall increase one year for two more additional working years.

**Article 40. Eligible person to funeral grant**

Funeral grant and adaptation allowance shall be paid to the deceased family member, that may be spouse or depending children person, who are officially assigned .

**Chapter 9**

**Survivors' Benefits**

**Article 41.Survivors' benefits**

Survivors' benefits are monthly allowance, paid to assist the deceased's dependents such as : spouse, children and parents.

**Article 42. Qualifying conditions**

Survivors' benefis shall be payable when the deceased insured person having paid contribution to social security fund for fully five years and more and eligible children, spouse and parents shall meet the folowing conditions :

1. Widow(er) benefit shall be payable to :  
A surviving husband who is disabled having reached 60 years of age and 55 years of age respectively for a surviving wife, provided they have no regular income; nor are re-married;
2. Offspring, step-children and adopted children of the deceased person, who have not reached 18 years old, are single and not working. Orphans with a handicap or mental illness and not being able to work shall be entitled to a life-long orphans' benefit.
3. Father and mother of the deceased, reaching respectively 60 and 55 years of age, not having any income, if their breadwinner was the deceased person.
4. For parents, whose all children deceased in the battle fild for national defense, no matter weather, their deceased childer were insured or not shall be entitled to life-long survivors' benefit.

**Article 43. Calculation of benefits**

The different types of monthly survivors' benefis shall be calculated as follows :

1. Monthly widow(er) benefit is equal to 30 percent of the last insurable earning, old-age or working capacity loss benefit of the deceased person.
2. Monthly orphans' allowance for each child is equal to 20 percent of the last insurable earning, old-age or working capacity loss benefit of the deceased person. Monthly orphans'

allowances shall not exceed 60 percent of the last insurable earning in total, regardless of the number of beneficiaries.

3. Monthly benefit for surviving parents is equal to 30 percent of the last insurable earning, old-age or working capacity loss benefit of the deceased person. If all parents are beneficiaries of any fund, their benefit shall not exceed 50% of the last month deceased person's insurable earning.

All types of survivors' benefits in total shall not exceed 80 percent of the last insurable earning, old-age or working capacity loss allowance of the deceased person.

## **Chapter 10**

### **Unemployment benefit**

#### **Article 44. Unemployment benefit**

Unemployment Benefit is an income replacement for those insured persons, who are not employed in any period.

#### **Article 45. Qualifying conditions**

An insured person shall be entitled to unemployment benefit if :

1. He/she has been laid off or the employer is bankrupt;
2. He/she has been registered as an unemployed person for at least 30 days The benefit shall not be payable for those, who have been laid off resulted from breaking work regulation or voluntarily resigned without acceptable excuse.

#### **Article 46. Calculation of benefits**

The calculation of unemployment benefit shall be based on followings :

1. 60 percents of the average of the last six months before being unemployed ;
2. Length of benefit payment :
  - Three 3 months period, If the length of the insured period is between 12 and 36 months ;
  - Six months period, If the length of the insured period is between 73 and 144 months ;
  - 12 months period, If the length of the insured period is 145 months and more

#### **Article 47. Vocational training**

Beneficiaries of unemployment benefit, if necessary, shall be given guidance on training with coordination with training institutions.

#### **Article 48. Job placement assistance**

Beneficiaries of unemployment benefits shall be assisted to find a new job, through an appropriate information..

#### **Article 49. Termination of unemployment benefit**

Unemployment benefit shall end if :

1. The Unemployment period terminates ;
2. The beneficiary has refused to take job vacancy, provided by social security establishment concerned without reasonable argument.
3. The beneficiary has been recruited ;

4. The beneficiary is dead.

## **Chapter 11**

### **Contribution aggregation and Insurance period**

#### **Article 50. Aggregation of contribution**

Insured person, who has paid irregularly contribution to social security fund because of turn-over, shall renew his/her social security membership for further benefits entitlements.

#### **Article 51. Aggregation of insured period**

Any resigned insured person, when resuming to work and having paid contribution, shall be given insured period for further benefits entitlements.

## **Part III**

### **Social Security Fund and Management**

#### **Chapter 1**

### **The National Social Security Fund**

#### **Article 52. National Social Security Fund**

National Social Security Fund is made up of: the Government contribution, employer, enterprise's employee, self-employed and voluntary insured person, to be used for the payment of social security benefits as stipulated in this Law.

National Social Security Fund, otherwise referred to as "NSSF", which is guaranteed by the state and exempted from taxes of various kinds for all social security benefits.

#### **Article 53. Types of Sub Funds**

The Social Security Fund consists of the the following sub-funds such as :

1. Health Care Benefit Fund;
2. Employment Injury and Occupational Disease Compensation Fund ;
3. Short term benefit Fund being payable for sickness, giving birth or abortion and death ;
4. Long term benefit being payable for Old-age and working capacity loss allowance and survivors benefits ;
5. Unemployment Benefit Fund.

Each sub-fund has some parts allocated for the National Social Security Fund's administration expenses, reserve and mutual assistance among sub-funds as stipulated in a specific regulation.

#### **Article 54. Sources of income**

The National Social Security Fund's sources of revenues include the following:

1. Budget allocated by the Government ;
2. Contributions from Civil servant, state employee, military and police ;
3. Contributions from employers or enterprises ;
4. Contributions from enterprise's employee,
5. Contribution from self-employed person and voluntary insured person ;
6. Bank's interest and proceeds from Government bonds.

The 1st , 2nd, 3rd and 4th sources of incomes are compulsory, while the 5th is voluntary.

### **Role and functions of Social Security Fund**

Social Security Fund is managed by the Board of the Fund under supervision of the Minister of Labor and Social Welfares. The Social Security Fund is an self-financing organisation and exempted from taxes and other charges.

### **Article 55. Social Security contributions from Government and employer**

Contribution rate from Government and employer shall be based on the followings:

1. Government shall monthly contribute 8.5% of the total salary of civil servant, state employee, military and police for their social security benefits payment. Government shall pay some contribution rate for self-employed person as stipulated in a specific regulation;
2. Enterprise's Employer shall monthly contribute 6% of employee salary to social security fund for social security benefits ;

### **Article 56. Contributions from insured person**

1. State employee, civil servant, soldier, police shall pay their premium contribution on the rate of 8 percent of their monthly total salary ;
2. Enterprise's Employee shall monthly pay 5.5 of his/her monthly insurable earning ;
3. Old-age and working capacity loss pensioner shall pay for health care expenditure as same rate as insured person;
4. self-employed person and voluntary insured person shall pay a contribution for each type of social security benefit as stipulated in a special regulation.

### **Article 57. Contribution rate adjustment**

The Government shall adjust contribution rate as provided in tyhe article 55 and 56 of this Law gradually in order to make the National Social Security Fund sustainable.

### **Article 58. Social Security Fund's Expenditures**

The National Social Security Fund's Expenditures are :

1. Expenditure for different types of social security Benefis as prescribed in the Part II of this Law.
2. Adjustment of benefits, particularly increase of health care expenses and another social security benefits. Fund's administrative costs are financed by the Fund's accomulcation as stipulated in a specific regulation.

### **Article 59. Fund accomulcation**

The reserve of the National Social Security Fund shall be invested in various forms with a view to making it sustainable.

## **Chapter II**

### **The National Social Security Fund's Committee**

#### **Article 60. The National Social Security Fund's Committee**

With a view to managing the NSSF with efficacy and efficiency, the Government shall appoint a National Social Security Fund's Committee, a non-standing state organisation, whose role and responsibilities are to manage the NSSF centrally and with accountability, transparency, fairness and sustainability.

#### **Article 61. Composition of Social Security Fund's Committee**

The committee is composed of the following sectors' representatives.

1. Minister of Labor and Social Welfares, chair person ;
2. Vice-minister of finance, vice-chair person ;
3. Vice-minister of Public Health, vice-chair person ;
4. Vice-president of Lao Federation of Trade-unions, vice-chair person ;
5. Vice-president of Lao Chamber of Commerce and Industry, vice-chair person ;
6. Director General of Department, Ministry of National Defense, member ;
7. Director General of Social Social Welfare Department, Ministry of Public Security ;
8. Director General of Social Security Department, Ministry of Labor and Social Welfares, member.
9. Director General of Budget department, Ministry of finance, member ;
10. Director General of Civil servant management, Ministry of Interior ;
11. Director General of Curative department, Ministry of Public Health ;
12. Director General of Personnel Department, Lao Women's Union ;
13. Director General of Labor protection Department, Lao Federation of Trade-unions, member ;
14. General Secretary of Lao Chamber of Commerce and Industry ;
15. Representatives from different organization working on employer and employee's matters ;
16. Director General of the National Social Security Fund, as the committee's secretary.

The Social Security Fund's Committee shall be selected by the Minister of Labor and Social Welfare to be appointed by the Prime Minister. Management team includes DG and DDGs, Divisions and branches at the provinces is responsible for routine works.

Roles and Functions of the management team shall be stipulated in a specific regulation.

#### **Article 62. Rights and obligations of The National Social Security Fund's Committee**

The National Social Security Fund's Committee shall perform the below-listed rights and obligations :

1. To consider and approve Internal regulation and action plan of the NSSF ;
2. To guide, support, follow up and inspect the performance of Management team ;
3. To consider and approve sources of NSSF's incomes ;
4. To allocate NSSF into different sub-funds for a rational expenditure in a certain period with approval from the Government ;
5. To consider and propose the adjustment of contribution rates as well as level of benefits to the social security management organization to further submit for Government approval ;
6. To consider setting up of a social security beneficiaries' database and for card issuance ;

7. To consider monthly, quarterly, half-yearly and annually social security benefit budget as well as administration expenses and submit to the upper social security management organisation for approval ;
8. To have relation and cooperation with foreign, regional and international organisation in the field of social security management ;
9. To report regularly on the National Social Security Fund management to the Social Security management organisation and to the Government ;
10. To perform other rights and obligation as prescribed by law and regulations or by order of higher authority.

### **Article 63. The National Social Security Fund's Committee Meetings**

Ordinary meetings of the National Social Security Fund's Committee shall be held every quarter to consider and approve important issues regarding the NSSF.

Meetings may be held only when two thirds of the total number of committee members are present.

Resolutions of the National Social Security Fund's Committee Meeting shall be effective only when adopted by a majority vote. In case of a tied vote, the Chairperson shall be entitled to cast a deciding vote.

## **Part IV**

### **Social Security Claim procedures**

#### **Chapter 1**

#### **Social security registration procedures**

##### **Article 64. Social security registration**

Employer, employee and self-employed and voluntary insured person shall register with the National Social Security Fund in order to pay contributions according to this Law.

##### **Article 65. Social security registration documents**

Employer, employee and self-employed and voluntary insured person shall register with the following documents

1. Individual information sheet on employee and self-employed person ;
2. List of insured persons, provided by the concerned employer;
3. Employment contract ;
4. Business registration certificate.

##### **Article 66 . Submission of documents for Social security registration and card issuance**

Social security registration and card issuance shall be handled in the following process :

Employer shall submit all social security registration related documents to the National Social Security Fund within 30 days after the employment contract has been signed.

1. Self-employed person and voluntary insured person shall submit his/herself social security registration in due time ;

2. The National Social Security Fund shall consider social security registration and card issuance within 30 days after the date of receiving application documents.

## **Chapter 2**

### **Claim consideration and approval**

#### **Article 67. Claim paper works**

Documents required for claiming social security benefits are the following:

1. Social Security Member Card;
2. Medical certificate on illness, delivery or abortion, employment injury and/or occupational disease, working capacity loss, sickness, old age pension, death, survivors' benefits or unemployment benefit.
3. Application forms for each kind of social security benefit.

#### **Article 68. Claim consideration**

The National Social Security Fund's management team shall consider claims within 30 days after the date of receiving application documents.

## **Part V**

### **Prohibitions**

#### **Article 69. Prohibitions for the staff of the Social Security Organisation**

The following conduct is prohibited for the staff of the Security Organisation.

1. Unfair, prejudiced, illicit behavior to insured person ;
2. Abuse of position, power, duties and receiving bribes for their own benefit ;
3. Falsification of document, disclosure of secret, deliberate delay of claims approvals or destruction of documents applying for social security benefits.
4. Poor quality, under-standard and illegal social security service and;
5. Any conduct violating social security legislations.

#### **Article 70. Prohibitions for insured person and his/her family members**

1. Reporting of false data;
2. Falsification of documents to be qualified to any social security benefit, giving bribe to social security staffs;
3. Discrediting social security or organisation staff by spreading propaganda of false information;
4. Protecting or assisting staff, employer or employee, who violate legal documents on social security affairs ;
5. Any other behaviors violating social security rules.

#### **Article 71. Prohibitions for individuals and organizations**

Individual persons and organizations are prohibited:

1. To create obstacles hampering social security mission of staffs;
2. To act as middle man for giving and receiving bribe for any social security's affairs
3. To announce and provide false data on social security's affairs;
4. To protect or assist civil servant, employee or insured person breaking social security legislations from punishment;
5. Any conduct violating social security legislation.

## **Part VI**

### **Dispute Settlement**

#### **Article 72. Dispute Settlement Forms**

Disputes on social security shall follow one of the procedures described below:

1. Arbitration or mediation;
2. Administrative settlement;
3. Economic settlement organisation;
4. Judgement by the Court of Justice ;

#### **Article 73. Reconciliation or mediation**

When a dispute on social security benefit occurs, the concerned parties may use conflict resolution, negotiation, or mediation for a mutual acceptable conclusion.

#### **Article 74. Administrative settlement**

When a dispute on social security benefit occurs, the concerned parties may apply to the social security management organisation for a settlement.

#### **Article 75. Economic settlement**

When a dispute on social security benefit occurs, the concerned parties may submit the case to the economic settlement organization to cope.

#### **Article 76. Justice court's judgement**

When a dispute on social security occurs any of parties concerned can submit the case to the People's court of justice in accordance with Law and regulations.

Any international conflict on social security affairs shall comply with international conventions or treaties, where Lao PDR is a signatory country.

## **Part VII**

### **Social Security Affairs' Management and Inspection**

#### **Chapter 1**



## **Social Security Affairs' Management**

### **Article 77. Social Security Affairs' Management Organisation**

Social Security Affairs shall be managed centrally and countrywide by the Government, who mandates the Ministry of Labor and Social Welfare to act as the responsible agency to coordinate with the relevant line ministries, other concerned local authorities.

The Social Security Affairs' Management Authority shall be established through a hierarchical system within:

- The Ministry of Labor and Social Welfare ;
- The Provincial and Capital Department of Labor and Social Welfare ;
- The District and Municipal Bureau of Labor and Social Welfare ;

If necessary, a labor and social welfare unit could be established at the village level.

### **Article 78. Rights and obligations of Ministry of Labor and Social Welfare**

In managing Social Security Affairs, the Ministry of Labor and Social Welfare shall perform the following duties and obligations:

1. To periodically undertake studies and research and to develop Social Security Affairs for approval by the government;
2. To translate social security policy and strategic plan into a work program, and details of projects and budgets to develop Social Security Affairs;
3. To disseminate widely and deeply the policy direction, strategic plan, Laws and regulations pertaining to Social Security Affairs to the public ;
4. To manage and monitor, inspect and evaluate the operational work of social security affairs ;
5. To make decision, order and recommendation on social security affairs;
6. To cooperate with the relevant parties and local authorities for the smooth operations of Social Security;
7. To consider grievances submitted by individuals, juridic person, and organisation regarding the performance of duties or decisions that violate Law and regulation on social security ;
8. To select candidate to be appointed as member of the NSSF's Committee by the Prime Minister ;
9. To collect statistics on social security target groups and monitor card issuance;
10. To improve its lower organisations along with capacity buildings in collaboration with provincial and municipality authority;
11. To encourage and mobilise nationwide all concerned parties both from private and public sector to participate in social security system ;
12. To set up a social security data base ;
13. To relate and cooperate with foreign countries and international organisations for mobilising financial and technical assistance ;
14. To regularly summarize and report on the result of the social security job performance result to the Government ;
15. To exercise the rights and perform other duties as provided in the Laws and regulations.

### **Article 79. Rights and obligations of Provincial Labor and Social Welfare Department**

In managing Social Security Affairs, Provincial Labor and Social Welfare Office shall perform the following duties and obligations:

1. To translate social security strategic and development plan into a work program, and details of projects and budgets to implement Social Security Affairs;
2. To implement Social Security related Laws Decrees and regulations in its proper area ;

3. To conduct dissemination and public relations with a view to mobilising concerned parties to participate in the development of Social Security Affairs;
4. To collect and process data on target groups for each type of social security benefit;
5. To monitor, support, inspect and evaluate the operational work of social security affairs frequently;
6. To guide and follow up social security card use ;
7. To propose organisation reform to higher organisation as well as upgrading social security staffs ;
8. To have international relation and collaboration on the social security affairs as assigned by subordinating organisation ;
9. To regularly summarize and report on the result of the social security job performance result to the Ministry of Labor and Social Welfare and its own provincial authority ;
10. To exercise the rights and perform other duties as provided for by Laws and regulations.

**Article 80. Rights and obligations of District and Municipal level Labor and Social Welfare office**

In managing Social Security Affairs, District and Municipal level Labor and Social Welfare Department shall perform the following duties and obligations:

1. To elaborate work plan and project for social Security Affairs' performance for each period of time ;
2. To collect and process data on target groups to National Social Security Fund and for each type of social security benefit;
3. To guide and follow up social security card use ;
4. Encourage and mobilize all parties concerned to participate in the social security fund;
5. To regularly summarize and report on the result of the social security job performance result in its own district to the provincial labor and social welfare department and district authority ;
6. To exercise the rights and perform other duties as provided in the Laws and regulations.

## **Chapter 2**

### **Social Security Affairs Inspection**

**Article 81. Inspection organisation of Social Security Affairs**

Organisations mandated with the inspection of social security matters are the following:

1. The internal inspection organisation is the same organisation as the social security activity management organisation as stated in the Article 77 of this Law ;
2. The external inspection organisations are :
  - The National Assembly, referring to the Law on the inspection of the National Assembly ;
  - The State Inspection Authority against corruption as prescribed in the Law on State Inspection ;
  - The State Auditing Organisation as prescribed in the law on auditing ;
  - The Lao Front for National Construction, mass organisations, and mass media,
3. The aim of external audit is to inspect task performance of social security organisation with a view to make it strengthened, transparent, fair and efficient ;

**Article 82. Content of Inspection**

An inspection of social security activity has the following content:

- The implementation of policy, strategic plan, action plan, compliances with Laws and regulations pertaining to social security activity;
- Planning on social security research projects;
- The work performance of Social Security staff and benefits issues;
- The income sources of the National Social Security Fund and expenditure plan for benefits , as well as Fund management expenses.

Additionally, inspection process shall comply with another provision as prescribed by another concerned Laws.

### **Article. 83. Forms of inspections**

There are three forms of inspection as follows :

1. Regular inspection, which is scheduled activities with a specific time ;
2. Inspections with advance notice are inspections carried out when deemed necessary, by sending advance notice to the targeted office ;
3. Impromptu inspections are inspections carried out when deemed necessary in urgent cases without sending an advance notice to the targeted office.

### **Article 84. Report on Inspection and correction measures**

The inspection committee shall summarize and report on the result of inspection work, and propose measures to the responsible institution in cases of violation of the law.

The inspection committee shall be legally responsible for the findings reported, and to ensure the confidentiality of all social security documents examined.

### **Article 85. Rights and obligations of inspection target**

Any target inspection shall have the following rights and obligations:

- To request from the inspecting committee examination the official documents authorizing the on-site inspection, as well as the identification card of inspecting officers;
- To express grievances on any inspection, which may be considered inappropriate according to inspection rules;
- To facilitate the inspection work of the inspecting committee by providing access to documents, data, and witnesses, and to provide clarifications regarding any matter raised by the committee.
- To exercise other rights and duties, authorised by law and regulations.

## **Part VIII Awards and Sanctions**

### **Article 86. Awards**

Any juristic person proving outstanding compliance with this Law will receive awards and other benefits in accordance with Law and regulations.

### **Article 87. Sanctions against violators**

Any juristic person, whether an individual or organisation, violating this Law shall be subject to disciplinary measures such as re-education, sanctions, fines, and civil or criminal penalties in accordance with the seriousness of the violation.

#### **Article 88. Re-education measures**

Any juristic person, whether an individual or organisation, violating this Law shall, in minor cases and if the first occurrence, be warned and re-educated.

#### **Article 89. Disciplinary sanction**

Any civil servant or social security officer, who violates social security laws and regulations and causes damages that are not severe and cannot be constituted as a criminal offense, but witness failure to report in good faith, shall be subject to the following disciplinary measures in order to be cleared from the offense:

1. Receive a warning or censure for the offense, to be recorded in his/her personal file;
2. Suspension from his ranking of salary grade and step, and other rewards;
3. Removal from his/her position or transfer to another duty of lower position;
4. Lay off without entitlement to severance pay allowance. Person, who is punished by Disciplinary measures, must return all gains obtained illegally to the concerned organisations .

#### **Article 90. Fines**

Any juristic person, whether an individual or organisation, violating this Law shall, in cases that cause damage but do not constitute a criminal offense, be fined at the same amount than the damage caused. For second time or serial offenders, fines shall be twice the amount of the damage caused and any property obtained through illegal means shall be confiscated.

#### **Article 91. Civil measures**

Any juristic person, whether an individual or an organisation who cause damage to someone's property by violating social security laws and regulations, shall compensate for all damage created.

#### **Article 92. Penal Measures**

Any juristic person, whether an individual or an organisation, who violate this Law and commit a penal offence, shall be punished as provided for in the Penal Law depending on the seriousness of the violation.

## **Part X Final Provisions**

#### **Article 93. Implementation**

The Government of the Lao People's Democratic Republic shall implement this law.

#### **Article 94. Effectiveness**

This law shall enter into force sixty days from the date of the promulgation of the relevant decree by the President of the Lao People's Democratic Republic.

President of the National Assembly

*(Seal and Signature)*